

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



August 7, 1990

ALL-COUNTY LETTER NO. 90-74

TO: ALL COUNTY WELFARE DIRECTORS
ALL COUNTY GAIN COORDINATORS

SUBJECT: GREATER AVENUES FOR INDEPENDENCE (GAIN) - EXCESS COSTS
FOR GAIN SERVICES

REFERENCE: Joint Advisory on GAIN Fiscal Policy; January 30, 1989
Chancellor's Office of the California Community
Colleges (COCCC) and State Department of Social
Services (SDSS)
Joint SDSS and State Department of Education Advisory
on Funding of Educational Services in the GAIN Program;
July 1988 and September 1989

In implementing the GAIN Program, it was recognized that educational service providers could incur costs that would not be funded through the Average Daily Attendance (ADA) reimbursement process, or covered by Job Training Partnership Act (JTPA) eight-percent funds. These "excess costs" are associated with the additional activities that educational providers might provide to GAIN participants such as tracking, reporting and additional tutoring. These costs are reimbursable using GAIN funds through contracts or Interagency Agreements (IAs) with the County Welfare Department (CWD). Excess cost funds cannot be used for educational services unless all other funds which can be used to provide the services are committed. Up to this point, excess cost agreements have been subject to advance review and approval by SDSS GAIN staff.

Effective August 1, 1990, prior SDSS review and approval will no longer be required for contracts/IAs for excess costs with the local Adult School or Community College districts providing services to GAIN clients. Requests for reimbursement of excess costs shall be negotiated at the local County level and approved by the CWD. The appropriateness of contracts/IAs for excess costs will continue to be governed by the joint advisories referenced above.

The description of allowable costs from these advisories is summarized below. County staff will be responsible for ensuring that all excess cost agreements are fully consistent with the

established policy. It is important to remember that excess cost funds are not to be used to make up for shortfalls in allowable ADA funds resulting from a lower than anticipated number of referrals to either Adult Education, Regional Occupational Center/Program (ROC/P), JTPA-funded or Community College programs.

Excess cost agreements will be reviewed by SDSS as part of our GAIN monitoring efforts (either through fiscal monitoring or as a special item in our program monitoring) and through the annual budgeting process, as is done for other service provider contracts. The SDSS will consider unit costs, caseload projections, and the type of services provided by the educational provider in evaluating the reasonableness and appropriateness of the County's excess cost agreements.

As noted in the above referenced advisories, approvable excess costs are limited to the following categories of expenditures:

1. Tracking and reporting attendance and progress of GAIN participants. This item does not include the cost of attendance reporting for ADA claiming purposes or general administrative activity associated with operating an educational program (e.g., hiring and supervising staff or purchasing office supplies). It does include that portion of a staff person(s)'s time associated with preparing the reports and/or maintaining liaison with the CWD for GAIN participants.
2. Books and supplies for individual GAIN participants which the school provides at a cost to GAIN and non-GAIN students. These items could also be funded under the GAIN ancillary expense category. However, it would be appropriate to purchase these items as an excess cost if the intent was to purchase them for use by a series of students rather than for each individual student.
3. Tutorial and GAIN-specific academic counseling services. Tutorial services would be available in conjunction with regular classroom activities; they may not replace or reduce regular classroom services. Academic counseling is limited to assisting students in overcoming barriers to classroom participation and assisting them in adjusting to the school environment. An example of a GAIN-specific academic counseling service would be counseling for students who express a lack of self-confidence which impacts learning skills or study habits, or who express a fear of taking tests. This does not include long-range academic planning that would be covered by the individual's employment plan, or personal counseling to deal with participant problems occurring outside of the classroom.

4. Space and equipment is fundable as an excess cost subject to the limitations listed below. This category includes, but is not limited to, costs such as utilities, custodial services, and desks and chairs related to the additional space.

Limitations are as follows:

- a. There is no available space or equipment for GAIN students in existing day or evening classrooms.
- b. Additional space may be approved if existing space is inadequate and it can be shown that its purchase is cost effective. For example, there is classroom space available in the evening; however, the expense of space rental would be offset by the savings in child care costs because the children are attending school during the day.
- c. Special circumstances, such as one time start-up costs, may be approved within this category. Equipment purchases (e.g., a personal computer for student tracking and reporting) are likely to be identified under a start-up category. However, item a. above must also be considered in approving start-up costs.
- d. Contracts/Agreements for funds to obtain personal computers and/or software for classroom use by GAIN students must include a description of how they will be used in the educational program and the expected benefits to GAIN students of computer assisted instruction.

The following are examples of expenditures which are recovered through the normal ADA process or GAIN Additional ADA reimbursement process and, therefore, may not be claimed as an excess cost under GAIN.

- A. Teachers salaries.
- B. Registration costs associated with regular Adult Education, ROC/P or Community College classes.
- C. Teacher's time spent advising the GAIN student about class requirements and which class(es) they should take (enroll).
- D. The costs for available classroom space within the school or Community College district except as allowed in item 4. above.
- E. Janitorial maintenance and utility costs associated with classroom space except as allowed in item 4. above.

The SDSS GAIN staff will still be available to provide Counties with technical assistance in developing excess cost agreements. If you have any questions regarding excess costs, please contact your County GAIN and Employment Services Operations Consultant, at (916) 324-6962.

A handwritten signature in dark ink, appearing to read "D. J. Boyle", with a stylized flourish at the end.

DENNIS J. BOYLE
Deputy Director

cc: CWDA